

Message Text

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43

ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00

DODE-00 DOTE-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03

DRC-01 /078 W

----- 061177

R 232031Z AUG 74

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 7667

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE BRIDGETOWN 1467

E.O. 11652: N/A

TAGS: ETRN EAIR BB

SUBJ: CIVAIR: LIAT FUTURE REMAINS UNCLEAR

1. LOCAL COURT LINE REPRESENTATIVE HAS EXPRESSED VIEW THAT WEST INDIAN GOVERNMENTS, LACKING RESOURCES TO ASSUME LIAT'S LIABILITIES, WOULD BE MUCH BETTER OFF STARTING A NEW CARRIER TO REPLACE LIAT IF ADEQUATE ARRANGEMENTS CAN BE MADE WITH LIAT'S NUMEROUS CREDITORS. HE REFUSED TO MAKE ANY PREDICTIONS RE LIAT'S FUTURE, NOTING THAT UNCERTAINTIES ABOUT FINANCES AND MANAGEMENT CAPABILITIES OF WEST INDIAN STATES MADE ANY PREDICTION IMPOSSIBLE AT THIS STAGE.

2. WE DO NOT HAVE PRECISE BREAKDOWN OF LIAT'S DEBT DISTRIBUTION BUT WE BELIEVE THAT DEBT TOTAL IS OVER US DOLS 15 MILLION. WE ARE INFORMED THAT LIAT'S LARGEST DEBT, POSSIBLY AS MUCH AS US DOLS 10 MILLION, IS OWED TO COURT LINE FOR AIRCRAFT CHARTERS AND OTHER SERVICES. COURT REP ALSO BELIEVES LIAT OWES ABOUT US DOLS 2.5 MILLION EACH TO BWIA AND TO HAWKER SIDDELEY, APPROXIMATELY US DOLS 500,000 TO CABLE AND WIRELESS. A SIZEABLE BUT UNKNOWN AMOUNT ALSO OWED TO SHELL AND OTHER OIL COMPANIES WITH LIMITED OFFICIAL USE

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LESSER AMOUNTS TO VARIOUS HOTELS THROUGHOUT REGION (HOLIDAY

INS, BELAIR, ETC.)

3. UK TEAM OF CONSULTANTS REPORTEDLY ARRIVED IN ANTIGUA YESTERDAY TO BEGIN SURVEY OF LIAT POSITION AND, PRESUMABLY, TO MAKE RECOMMENDATIONS RE CONTINUED AIR SERVICE.

4. COMMENT: LIAT FUTURE AFTER END OF SEPTEMBER REMAINS UNCLEAR. WE TEND TO BELIEVE THAT ONE WAY OR ANOTHER AREA GOVERNMENTS WILL FIND MEANS OF MAINTAINING SOME KIND OF AIR SERVICE BUT SHAPE OF SUCH ARRANGEMENT WILL NOT BE KNOWN UNTIL AT LEAST ISSUANCE OF CONSULTANT'S REPORT ON LIAT. WE UNDERSTAND THAT SOME TERRITORIES HAVE SOUNDED OUT CDB INFORMALLY TO HELP WITH FINANCING OF AIR SERVICES BUT THAT CDB WISHES TO AWAIT ISSUANCE OF REPORT AND RECOMMENDATIONS BEFORE TAKING ANY ACTION.
SIMMS

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Message Attributes

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30 JUN 2005

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